



Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

DOGM
MINERALS PROGRAM
FILE COPY

October 24, 1989

Mr. Grant A. Pinkerton
General Manager
North Lily Mining Company
P. O. Box 421
Eureka, Utah 84628

Dear Mr. Pinkerton:

Re: Final Approval of Heap Leach Permit Amendment, North Lily Mining Company,
Tintic Project, M/023/007, Juab County, Utah.

The Division has completed its technical review of your permit amendment application for the Tintic Project, near Eureka, Utah. The application is complete and technically adequate for issuance of final approval.

A revised reclamation surety estimate has been prepared and is attached to this letter. The adjusted reclamation estimate is \$122,000 in 1994 dollars. North Lily has posted a certificate of deposit (C.D.) in the Division's name which will mature in March of 1991 with a \$115,000 value.

The operator has commenced contemporaneous reclamation of the old tailings area north of the plant facilities site. This action effectively offsets the additional reclamation liability incurred under this amendment. The current reclamation surety is adequate, provided the operator completes the necessary revegetation work on the regraded tailings area this fall. The Division recommends completing the reseeding work by mid-November if possible.

It is likely that the revegetation will become established by the 1991 C.D. maturity date. The value of the matured deposit would then be in line with the 1994 reclamation cost estimate (\$122,000 minus the \$6,000 tailings revegetation cost estimate). It is recommended that the operator allow the certificate of deposit to roll-over upon maturity. However, the operator may propose an alternate form of surety at that time if desired.

0002

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Grant A. Pinkerton
North Lily Mining Company
M/023/007
October 24, 1989

It is our understanding that the Bureau of Water Pollution Control's construction approval is forthcoming. Thank you for your patience and cooperation in completing this permitting action. I will contact you in the near future to schedule an onsite inspection. Please contact us should you have any questions or concerns regarding the content of this letter.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg
Permit Supervisor/Reclamation
Hydrologist

jb
Attachment
cc: Don Ostler, BWPC
Lowell Braxton
Holland Shepherd
MN3/98-99



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October 2, 1989

TO: Wayne Hedberg, Permit Lead
FROM: Scott Johnson, Reclamation Engineer *Scott*
RE: Revised Reclamation Estimate for North Lily Mining Company, Tintic Project, M/023/007, Juab County, Utah

I have completed my review of the expansion amendment for the Tintic Project. The engineering work appears to be technically sound. Assuming the tailings pile north of the plant facilities is regraded and ready to seed, the adjusted reclamation estimate is \$122,000 in 1994 dollars.

North Lily initiated a deposit on March 15, 1988 in First Security Bank for the amount of \$92,522.67. As of today, this account has a value of \$104,813.09. This account matures on March 15, 1991 with a value exceeding \$115,000.

Since the operator has initiated reclamation by restoring the tailings pad, I suggest we leave the surety alone. If the revegetation is successful by the 1991 deposit maturity date, the value of the deposit will be in line with the 1994 reclamation cost (\$122,000 minus \$6,000).

jb
cc: Lowell Braxton
Holland Shepherd
MN17/74

Reclamation Estimate for North Lily Mining Company
Tintic Project Juab County M/023/007

Prepared By Utah State Division of Oil, Gas and Mining
 October 2, 1989

Description	Quantity	Unit	\$/Unit	Cost (\$)
Plant Site Reclamation				
Demolish and Dispose of Buildings		Lump Sum		5,000
Regrade Building Site	1.0	Acres	300	300
Decommission Heap Leach Pad	13.0	Acres	500	6,500
Regrade Heap Leach Pad	120,000	Cubic Yards	0.20	24,000
Regrade Solution Ponds	12,000	Acres	0.20	2,400
Apply Topsoil	29,400	Acres	1.25	36,750
Revegetate	21.0	Acres	447	9,390
Subtotal				84,340
North Tailings Dump Reclamation				
Revegetate (a)	11.1	Acres	447	4,960
Mammoth Mine Dump Reclamation				
Grade for Uniformity	15.0	Acres	300	4,500
Revegetate	15.0	Acres	447	6,710
Subtotal				11,210
Totals				100,510
Add Contingency (10%)				10,050
TOTAL RECLAMATION COST (1989 Dollars)				110,560
TOTAL RECLAMATION COST (1994 Dollars) @ 1.93% Annual Inflation				122,000

Notes: (a) This area has been depleted of ore. The reclamation earthwork was completed in 1989. The revegetation remains and will commence during the fall of 1989.

This estimate includes the reclamation costs required for the expansion of the heap leach pad.

Reclamation Estimate for North Lily Mining Company
Tintic Project Juab County M/023/007

Prepared By Utah State Division of Oil, Gas and Mining
October 2, 1989

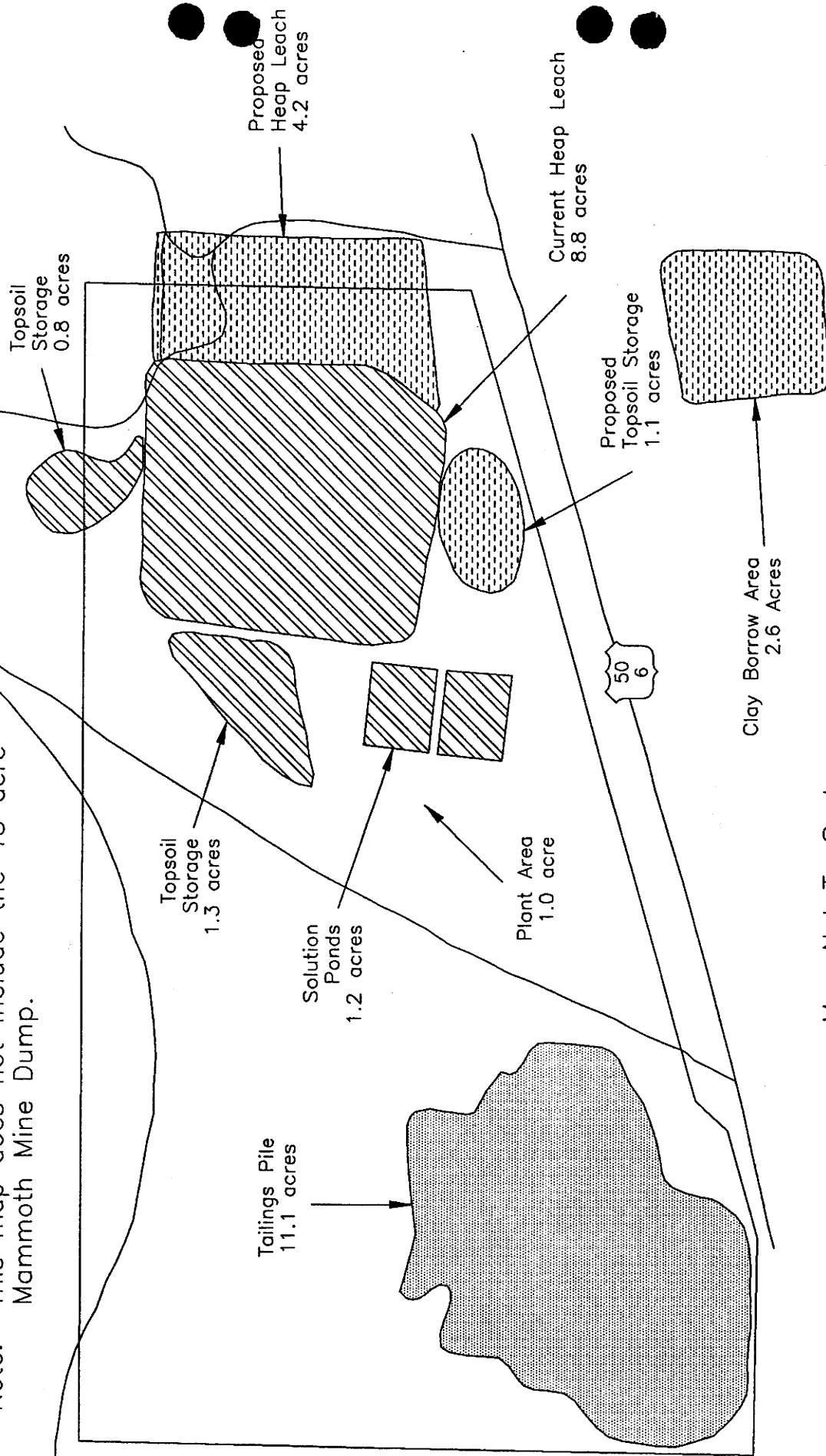
Cost Parameters Used

D-8 Dozer (0&0)	160	\$/hour
988B Wheel Loader (0&0)	165	\$/hour
Labor Only	24	\$/hour
Farm Tractor (0&0)	67	\$/hour
Speed	4	mph
Width of Pass	6	feet

Revegetation Cost per Acre	Quantity	Unit	\$/Unit	Total Cost (\$)
Bare Costs				
Fertilizer (18-46-0)	100	Pounds	0.25	25
Seed Mix	20	Pounds	9	180
Native Hay Mulch	2	Tons	50	100
Seed Mix (drilled)	0.5	Hours	24	12
Subtotal				317
Application Costs				
Native Hay Mulch (spread by hand)	3.0	Hours	24	72
Native Hay Mulch (disc into ground)	0.3	Hours	67	23
Fertilizer (broadcast by hand)	0.5	Hours	24	12
Seed Mix (drilled)	0.5	Hours	0	0
Scarify (tractor with chain)	0.3	Hours	67	23
Subtotal				130
Total Revegetation Cost per Acre				447



Note: This map does not include the 15 acre Mammoth Mine Dump.



Map Not To Scale

- Existing Disturbance
- Proposed Expansion (except Mammoth)
- Reclaimed Area (except vegetation)

Map Compiled 9-29-89

North Lily Mining Company
M/023/007
Juab County, Utah



State of Utah
Natural Resources
Oil, Gas and Mining